Recovery of outstanding loans by Banks/FIs.

†989. SHRI P.K. MAHESHWARI: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to provide more powers to the banks and financial institutions under the new law for recovering outstanding loans;

(b) if so, the amount of bad debt pertaining to each bank and financial institutions against each industrial house at present, separately and since when these loans are outstanding; and

(c) the time-limit fixed by Government to formulate this new law?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (c) Proposal relating to formulation of new law which will enable banks and financial institutions to sell the securities taken by them without intervention of the Court is under consideration of the Government in consultation with Reserve Bank of India.

(b) The data base in Reserve Bank of India does not generate this data.

Revival of economy

990. SHRI AHMED PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether the economy of the nation is in a very bad shape due to recession and slow down;

(b) if so, the details thereof; and

(c) what remedial measures Government have initiated to revive the economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) As per the latest available Quarterly Estimate of Gross Domestic Product (GDP) for

†Original notice of the question was received in Hindi.

the first quarter (April-June) of 2001-02 the overall growth in real GDP estimated at 4.4 per cent was lower than 6.1 per cent in the same quarter of 2000-01, but was higher than the growth of 3.8 per cent in the preceding quarter (January-March) of 2000-01. With a view to promoting growth, the broad strategy has been enunciated in the Budget Speech for 2001-02. The Budget for 2001-2002 has provided enhanced central plan outlays for key infrastructure sectors and increased emphasis has been placed on accelerating capital investment expenditure. Besides, Reserve Bank of India on the basis of a review of macro-economic and monetary developments took certain monetary measures keeping in view need for adequate liquidity to meet credit growth and support revival of investment demand consistent with price stability. These measures included further reduction in the bank rate from 7 per cent to 6.5 per cent, rationalization and reduction in the Cash Reserve Ratio for the banking system and reduction in the maximum interest rate chargeable on export credit by 1.0 percentage point for a period of six months with effect from September 26, 2001. These specific measures to stimulate demand in the backdrop of budget strategy are expected to have a favourable impact on growth.

Public spending for boosting sagging economy

991. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) Whether it is a fact that the Prime Minister told in a meeting of the Advisory Council on Trade and Industry in September, 2001 that Government would resort to massive public spending in order to boost up the sagging economy;

(b) if so, what is Government's reaction thereto;

(c) whether it is also a fact that members of the Prime Minister's Economic Advisory Council warned Government against runaway expenditure stating that public spending was not the key to the economic revival; and

(d) if so, the steps proposed to be taken to make the economy turn around?